Economic and Social Council

ECONOMIC COMMISSION FOR EUROPE
COMMITTEE FOR TRADE, INDUSTRY AND ENTERPRISE DEVELOPMENT
Centre for Trade Facilitation and Electronic Business (UN/CEFACT)
Ninth session, 12 – 13 May 2003

REPORT OF THE 9TH SESSION

1.   The United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT) held its ninth session in Geneva on 12 and 13 May 2003 under the chairmanship of Mr. Christian Frühwald.

2.   Participants in the meeting included representatives of the following countries: Angola, Armenia, Australia, Azerbaijan, Belarus, Belgium, Bosnia and Herzegovina, Bulgaria, Burkina Faso, Canada, Chile, China, Costa Rica, Côte d'Ivoire, Croatia, Cuba, Czech Republic, Denmark, Egypt, El Salvador, Estonia, Finland, France, Georgia, Germany, Ghana, Greece, Hungary, Iceland, India, Iran (Islamic Republic of), Ireland, Italy, Japan, Jordan, Kazakhstan, Kenya, Kuwait, Kyrgyzstan, Latvia, Lebanon, Malaysia, Mauritius, Mexico, Netherlands, Nigeria, Norway, Oman, Pakistan, Occupied Palestinian Territory, Panama, Paraguay, Philippines, Poland, Qatar, Republic of Korea, Republic of Moldova, Romania, Russian Federation, Saudi Arabia, Senegal, Serbia and Montenegro, Slovakia, South Africa, Spain, Sri Lanka, Sweden, Switzerland, Tajikistan, Thailand, The former Yugoslav Republic of Macedonia, Tunisia, Turkey, Ukraine, United Kingdom of Great Britain and Northern Ireland, United Republic of Tanzania, United States of America, Uruguay, Uzbekistan, Venezuela, Viet Nam, Zambia and Zimbabwe.

3.   Representatives of the European Community also participated.

4.   The following intergovernmental organizations participated: European Free Trade Association, European Patent Office, International Organization for Standardization, International Road Transport Union, Organisation for Economic Co-operation and Development, World Customs Organization, as well as World Trade Organization.

5. The following United Nations bodies, regional commissions and specialized agencies were also represented: Economic Commission for Africa, Economic Commission for Latin America and the Caribbean, Economic and Social Commission for Asia and the Pacific, Economic and Social Commission for Western Asia, International Labour Office, International Trade Centre (ITC/UNCTAD/WTO), International Telecommunication Union, United Nations Commission on International Trade Law, United Nations Conference on Trade and Development, United Nations Industrial Development Organization, United Nations Development Fund for Women, Universal Postal Union, World Intellectual Property Organization, as well as World Bank.

6. The following non-governmental organizations participated: Black Sea Economic Cooperation Pact, European Committee for Standardization, European Organization for Nuclear Research, Commonwealth Secretariat, European Information and Communications Technology Industry Association, European Electronic Messaging Association , European Organisation for Conformity Assessment, International Article Numbering Association, International Association of Ports and Harbours, International Chamber of Commerce, International Chamber of Shipping, International Centre for Trade and Statistical Overview, International Electrotechnical Commission, and International Express Carriers Conference.

7. Observers present at the invitation of the secretariat included representatives of: the Asia Pacific Council for Trade Facilitation and Electronic Business, International Federation of Inspection Agencies, International Multimodal Transport Association (IMMTA), Organisation for the Advancement of Structured Information Standards (OASIS), Global Alliance for Trade Efficiency, Global e-Business Advisory Council, Hewlett-Packard Co., Microsoft Corporation., Motorola Ltd., Société Générale de Surveillance S.A., Union Bank of Switzerland, as well as United Parcel Service.

8. The Chairman opened the meeting at 10:00 a.m. and welcomed all UN/CEFACT delegations to the 9th Plenary session of UN/CEFACT which was the biggest ever, with 250 registered delegates. The Director of the Trade Development and Timber Division welcomed the delegations on behalf of the Executive Secretary and the secretariat and highlighted some of the most important moments of the past year. The first International Forum on Trade Facilitation had been held in 2002 and the second was being organized immediately after the 9th UN/CEFACT Plenary on 14 and 15 May 2003. These forums provided a platform for a global discussion on trade facilitation and the work of UN/CEFACT. The secretariat had organized the first UN/CEFACT Forum and the second Forum had been held thanks to the support of the Data Interchange Standards Association (DISA), USA, which the Director thanked for their support.

9 . The Director also briefly presented the results of the most important trade facilitation projects and programmes of the secretariat. The secretariat was increasingly focusing on the implementation of the results and particularly supporting the implementation work in Central and Eastern European countries and the Mediterranean region to help these to integrate in the regional and global trade chains.

Note: Decisions taken during this meeting are shown in boldface type in the current report.

Item 1 - Adoption of the agenda

10. The Chairman suggested a slightly revised timing for the meeting, with the first day entirely devoted to discussions on Intellectual Property Rights and support services for UN/CEFACT. Referring to his letter to the heads of delegation in which he had drawn attention to the need to fully take into account the results of the discussions on the first day of the session, the Chairman proposed postponing the elections of the CSG.

11. The Chairman had also suggested extending the term of office of the current UN/CEFACT Steering Group (CSG) for one year. The Chairman noted that all vice chairpersons had agreed to continue while three

CSG members (representing the United Kingdom, the Netherlands and France) had indicated that they would no longer be available. The Chairman thanked these for their significant contribution to UN/CEFACT. Nominations for replacements had been received from France, SWIFT and the United Kingdom. The Chairmen invited the delegations to make further nominations to the Deputy Director by the end of the morning session on Tuesday 13 May.

Decision:
The Agenda was adopted with the rescheduled timetable proposed by the Chairman.

Item 2 – Organizational reports

Documents: ECE/TRADE/300
                                    TRADE/2003/1/Add.1
                                    TRADE/CEFACT/2003/MISC.1
                                    TRADE/CEFACT/2003/3
                                    TRADE/CEFACT/2003/4
                                    TRADE/CEFACT/2003/MISC.6

UNECE and the Committee for Trade, Industry and Enterprise Development

12. The Chief of the Policy and Intergovernmental Cooperation Branch of the Division explained the relation of UN/CEFACT to the CTIED, the UNECE and the ECOSOC. The Commission had requested all subsidiary bodies to streamline their structures and administration in order to better meet the increasing demand for resources in an environment of a reduced access to funding.

13. The UNECE had asked all subsidiary bodies to increase cooperation among the regional commissions. In the area of trade, industry and enterprise development, this also covered the global remit of UN/CEFACT. The secretariat had also been requested to develop with other international organizations a joint programme of work for the 2004 session of the Commission. UN/CEFACT should develop an integrated trade facilitation programme. As part of this exercise, all technical assistance should focus on central and eastern European countries.

14. The Chairman noted that the Forum Coordination Team and the Steering Group needed to provide the required inputs to the CTIED. He felt that the joint session of UN/CEFACT and the CTIED would enhance communications and avoid duplicating the work.

Report of the CSG Chairman

15. The Chairman personally thanked the resigning members for their significant contribution.

16. The CSG had met twice between the Plenary sessions and in connection with the Plenary session. There would be a CSG session on 13 May after the closure of the Plenary.

17. The ISO delegate enquired for whom the Code of Conduct was meant, which was presented in an Annex to TRADE/CEFACT/2003/MISC.1. ISO delegates would have a problem with points 5 and 7 of the code

and ISO might have difficulty regarding the suggested IPR policy. He also requested UN/CEFACT management to clarify the liaison between the groups and UN/CEFACT as there seemed to be six layers of management in UN/CEFACT and ISO was seeking guidance regarding which of these liaisons should be established. The Chairman responded that the Plenary was the highest decision-making body supported by a Steering Group. The operational groups had direct liaison with other bodies.

18. The CSG Chairman confirmed that the Code of Conduct had been developed by the CSG for itself and for all empowered groups. It was not meant to apply to the Plenary although the Plenary, it was hoped, would follow the spirit of the Code. There had been a clear need for guidance in the empowered working groups in which   representatives of governments and businesses have potential conflicting interests. The Code of Conduct had been adopted by the CSG and was submitted to the Plenary for information.

The Plenary took note of the reports.

Item 3 – Report on the discussions with the Office of Legal Affairs (OLA) regarding an External Support Service Provider and a UN/CEFACT Intellectual Property Rights Policy

Documents: TRADE/CEFACT/2003/MISC.14
                      TRADE/CEFACT/2003/6

19. The Steering Group had been concerned by intellectual property rights (IPR), particularly in the area of electronic business standards and had decided that there was a need for a policy within UN/CEFACT. At its session in Berlin in November 2002, the CSG had adopted the policy prepared by the Legal Rapporteur with an informal team. Subsequently, the policy had been submitted to the United Nations Office of Legal Affairs for review and comments.

20. The Legal Rapporteur explained the development of the IPR policy. Earlier, there had been a policy related to the Open Development Process. This, however, needed to better cover the current IPR issues. The Rapporteur and the Chairman of the TMG had prepared the policy with the support of some leading experts in the private sector participating in UN/CEFACT work. According to the new policy, participants' contributions towards the development process would be implemented in a way that would allow the results to be freely available. This could be achieved in different ways. At the 8th plenary, "reasonable and non-discriminatory" licensing terms (RAND) had been discussed but the term "reasonable" had posed technical difficulty as a basis for a policy and the drafters had moved to another principle according to which the holders of the rights would keep their rights, but would issue a royalty-free licence to UN/CEFACT. Thanks to this licence, UN/CEFACT products would be available without any dues for users. This draft had been submitted to the OLA. The next step was to discuss the comments of the OLA and reach a final form of the IPR policy for the approval by the plenary as soon as possible, possibly in an inter-sessional process.

21. The Chairman asked the delegations to thoroughly assess the OLA advice and pass their comments to the Rapporteur, who, together with his group and the CSG, would hold the necessary consultations in order to get the document approved in an inter-sessional process or at the extraordinary plenary in mid-November, whichever would come sooner.

22. The Plenary authorized the Legal Rapporteur and his informal team to discuss and seek to agree with the OLA a final text of the IPR policy for subsequent Plenary approval, which might be by inter-sessional process. The Heads of Delegation were requested to provide their views and comments to the Legal Rapporteur on CEFACT/TRADE/2003/MISC.14 and on the draft IPR policy (TRADE/CEFACT/2003/6) within 30 days.

Item 4 – Considerations of the OLA advice

Documents: TRADE/CEFACT/2003/MISC.10
                     TRADE/CEFACT/2003/MISC.11
                     TRADE/CEFACT/2003/MISC.5
                     TRADE/CEFACT/2003/MISC.12

23. The discussion on the additional support services for UN/CEFACT had been initiated at the 8th Plenary. Since then, discussions had been held with the OLA and the Chairman felt that the OLA advice that had been received strengthened UN/CEFACT.

24. As the OLA feedback had been received late, the other documents on the issue prepared for the Plenary did not take into account the OLA recommendations. The CSG had decided in February that options for support inside and outside the United Nations should be explored while awaiting an OLA decision. These results were presented in documents MISC.5 and MISC.11. In addition, comments from the Head of Delegation of the United Kingdom and the secretariat had been received.

25. The Deputy Director informed that the secretariat, the Chairman and the CGS Chairman had held a meeting with OLA in January. Subsequently, the secretariat had submitted additional papers to answer concrete questions from the OLA. Document MISC.4, which was a verbatim report from the OLA, made a very thorough analysis of the situation and, as it had been cleared by the highest legal officer of the United Nations, was a de facto acknowledgement of the status and role of UN/CEFACT which significantly strengthened the position of UN/CEFACT.

26. The OLA document gave suggestions on how additional support could be channelled and an estimation of the costs. All meetings of the groups and working groups would be considered official United Nations meetings and the members would be "United Nations Experts on Mission", defined and protected by the relevant conventions. This would mean that these meetings would have to adhere to United Nations rules. The paper also defined the core secretariat functions and indicated what parts of the work could be outsourced. The UN/CEFACT membership was confirmed (including all United Nations member States as well as members such as NGOs and businesses as opposed to UNECE member States only). Once UN/CEFACT would have finished the organizational issues, the final arrangement should go to the UN Controller for clearance and to the UNECE for final approval. Two channels for funding – trust funds and contributions in kind – had been proposed and both options were equally welcome. These would need to be made following the United Nations guidelines.

27. The Chairman of the CSG reminded the HODs that a document cleared by the highest legal officer (Under-Secretary-General) of the United Nations would need to be taken properly into account. UN/CEFACT would need to provide adequate resources to support the standards development process and adopt an IPR

policy that would be acceptable to all contributing parties. The Under-Secretary-General ruling covered the mandate, the organization, the role of the secretariat and that of the support service provider. The OLA acknowledgement should also be very helpful in gaining further recognition of the global remit and role within the United Nations system.

28. Recognizing that all UN/CEFACT groups were formally within the United Nations, the OLA had recommended strengthening the linkage between the empowered groups and the Plenary by appointing the Chairs of the empowered groups as rapporteurs to the Plenary. The OLA document recommended that a formal registration process should be established for participants in the groups. This could be done once an IPR policy would be in place.

29. The document set out the role of the secretariat in relation to the services that would be provided to the Centre and the Forum and recommended the designation of a project administrator with considerable responsibilities. This function did not exist before and was considered a significant additional workload, which might require additional resources from the UNECE.

30. The OLA document allowed the appointment of a Support Service Provider (SSP) and indicated the types of services that could be provided. An entity within the United Nations system, such as UNECE, the United Nations Office for Project Services (UNOPS) or the International Telecommunications Union (ITU) would sub-contract the services that would be required to one or more service providers. The additional resources would need to be provided by members of UN/CEFACT or be provided through contributions in kind from corporations.

31. The cost of the services could be covered either by the establishment of a trust fund or by contributions in kind. As outlined in MISC.10, contributions in kind were expected to better cover the provision of the required services than a trust fund. To facilitate large contributions in kind, contributors could be acknowledged by the United Nations in a suitable manner after authorization by the OLA.

32. Additional funding would be sought for both trade facilitation and electronic business standards. Significant funding was required for repositories for the latter. It was expected that member States would find that, even if these were for the common good, the principal beneficiary would be the software industry and thus, the private sector should contribute. However, it was widely assumed that companies would not be willing to contribute to a trust fund as the money might end up buying services from other companies and thus, contributions in kind would seem to be more attractive for these purposes.

33. Presenting his own report, MISC.10 with two annexes, MISC.5 and MISC.11, the Chairman reminded the participants that these documents had been drafted before the OLA ruling. Two groups had been involved, one to look at UN/CEFACT without e-business standards (report in MISC.5) and another to look where else e-business standards could be developed (report in MISC.11).

34. The Chairman of the Steering Group introduced MISC.5, which outlined the importance of the trade facilitation policy issue which should be placed in the context of international trade and supply chain processes. The use of advanced modelling techniques (UMM) and models to drive the rationalisation of trade procedures was very valuable. However, in the empowered groups, as opposed to electronic business activities, trade facilitation had not yet been able to attract significant attention or resources. Even if the

resource requirements of e-business activities could be met, the report questioned whether this would increase the profile of trade facilitation within the current strategy and structure of the centre. Therefore, the centre now required a strategy and organizational structure that would recognize the fundamental importance of trade facilitation.

35. The strategy should cover trade facilitation policy, the process analysis of the international trade and supply chain using advanced modelling techniques (UMM), the rationalization of trade procedures using the process analysis and the subsequent models to drive the activity as well as the development of United Nations recommendations and their promotion and implementation.

36. The report did not identify any particular organizational solution or resources to support such a programme. A number of options to strengthen trade facilitation were presented, including the creation of a new empowered group on trade facilitation (the Forum would then have 6 groups) but this might not resolve the policy issues. An advisory group from the International Forum on Trade Facilitation could be established to provide guidance on policy issues and a CTIED Trade Facilitation Rapporteur appointed to coordinate trade facilitation activities in the forum and in the advisory groups. The creation of a new body under CTIED to focus exclusively on trade facilitation and allowing UN/CEFACT to focus solely on eBusiness had also been raised.

37. The Vice Chairman of the ICG presented the Report of group B (MISC.11). The group had aimed at reviewing the options that might be available for electronic business standards outside UN/CEFACT. Potential alternatives had included an independent United Nations centre (i.e. a specialized agency), ITU secretariat (acting in the role of UN/CEFACT secretariat), complete transition to ITU (setting up a committee), transition to ISO, joining an international user group, the establishment a new standards organization as well as the establishment of a Forum Club or a limited liability corporation, as potential alternatives. The group had applied a weighting assessment methodology that had resulted in the following solutions: transition to ITU, transition to ISO or joining international user group. The group had finally decided to solely recommend a transition to ITU.

38. In his summary, the Chairman saw a strong desire to keep both trade facilitation and electronic business standards within the United Nations and ways of achieving this were being sought. The lack of resources was affecting the development work and it was generally agreed that if electronic business standards could not get the resources required, the recommendations of the latter group would need to be looked into. Given that the advice from the OLA had only been received after the issuance of the two reports, the CSG should thoroughly analyze the resource base, the ongoing costs, as well as work on trade facilitation, and approach the stakeholders to get the necessary resources. It was clear from the two reports that the contributors in the groups did not wish to separate trade facilitation and electronic business standards as this would be disruptive to both sides.

39. The Head of Delegation of the United Kingdom pointed out that the comments from this delegation had been written before the OLA advice had been received but stressed the need for concrete development work. Trade facilitation was important for all sizes of countries, all sizes and forms of business and thus, should be a clear priority for all work. Consequently, objectives needed to be better clarified and activities in support of the goals developed. The United Nations was the only appropriate organization to take these issues forward and consequently, UN/CEFACT was the right home for the work. The OLA ruling would help solve the legal

issues and as a following step, financing would need to be secured. Simultaneously, the secretariat would need to re-allocate its resources in agreement with the new agenda.

40. The Deputy Director of the Division presented the secretariat note on the Chairman's report focusing on ways of implementing the OLA advice. The paper discussed the OLA recommendations as well as the functioning of the UN/CEFACT Forum and the need for repositories. The secretariat emphasized the need to continue work on core components and data elements. The issue at hand was clearly extra-budgetary resources for new electronic business standard development. The secretariat's conclusion was that a financial plan, better explaining the functions of these repositories was required. The OLA advice clearly defined the core functions of the secretariat and the United Nations would need to continue performing these services, while the functions of the repositories were required based on a resource plan. The secretariat felt that the OLA guidance had created a platform where the forum could be serviced within the current institutional set-up.

41. The ISO representative pointed out that the documents regarding the support services and IPR policy had been received only days before the meeting and thus delegations had not had a chance to form their views. The Plenary should send all relevant documents to delegations for review indicating which documents should be commented. The Head of Delegation of Belgium agreed and proposed that the CSG should produce before its session in July a consolidated document with the legal suggestions from the OLA presented in a way that would allow the delegations to form a single view.

42. The CSG Chairman replied that the delegations needed to form their views on the two documents that had been received from the OLA – MISC.4 and MISC.14. The CSG would seek further clarification on MISC.4. Ultimately, Revision 3 of R.650 would be prepared for the approval of the Plenary and the CTIED.

43. The Head of Delegation of France recommended, supported by Belgium , that the delegation be given some time to study the documents and send comments to the secretariat. The Chairman of the Steering Group suggested a short review process after which the Steering Group would seek the necessary clarifications.The final text would then be sent to the HODs for final views.

44. The Plenary discussed the establishment of an empowered group on trade facilitation to cover trade facilitation policy, process analysis, the rationalization of trade procedures and the development and implementation of UN recommendations. This would build on and enhance the work carried out by the Centre (TBG15/ITPWG).

45. The Head of Delegation of Australia opposed to forming new groups , expressing the opinion that even the present ones, such as the Applied Technologies Group (ATG) and Information Content Management Group (ICG) were competing for the same experts. The delegation of Sweden recommended instead that the policy group should be revitalized and more research be carried out before establishing new groups on trade facilitation. This was supported by the Czech delegation.

46. Until a report from the Chairman's group was available, the discussion on any new groups was considered premature.

47.   Decisions:

The Plenary instructed the CSG to seek urgent clarification in writing from the OLA on the correct interpretation of advice given in the document CEFACT/TRADE/2003/MISC.4. This included the question of whether the section "Background" was substantive and clarification of other inconsistencies in the document relating to the proposed appointment of rapporteurs.

Heads of Delegation were encouraged to submit comments to the secretariat on CEFACT/TRADE/2003/MISC.4 and CEFACT/TRADE/2003/MISC.10 (and its Appendixes MISC.5 and MISC.11) by the end of June. If satisfactory clarification were to be received from OLA, the Plenary instructed the CSG to prepare a revision of R.650/Rev.3 for approval at the proposed extraordinary Plenary session. It further requested the Chairman to seek written confirmation from the Director of the Division of the appointment of a project administrator with necessary resources to undertake the task. The confirmation was requested by mid-June 2003.

The Plenary discussed the report of Group B and sought the delegates' views about leaving the UNECE. If satisfactory clarification was received from the OLA and a confirmation of the resources was received from the secretariat, there was no support for this course. Nevertheless, while the clarifications and confirmations would be sought from the OLA and the secretariat, CEFACT/TRADE/2003/MISC.11 would be held in abeyance.

The CSG would develop resource plans to cover the activities of the support service provider and make those available to the delegations by the end of July. This should include, but not be limited to, an updated list of services and a scheduled process for preparing decisions in consultation with all interested stakeholders. It would also concurrently develop proposals for receiving contributions in kind, or contributions to a trust fund, from commercial and other organizations.

The delegates agreed with the Plenary Chairman's suggestion to activate his policy group to review current trade facilitation strategy and to develop proposals to expand the role of trade facilitation within the Centre. The paper would be developed as soon as possible and should be available by September.

Item 5 – Adoption of ebXML specifications

Documents: TRADE/CEFACT/2003/7
                                      TRADE/CEFACT/2003/7/Corr.1

48.   The Chairman of the Steering Group stated that UN/CEFACT had created a success story – the second generation of electronic business standards. After two years of work and cooperation with OASIS, the work was coming to an end. In 2001, the first part had been completed and a set of specifications published. This had created a framework for electronic business using eXtensible mark-up language (ebXML). There were seven specifications, two from the original set, parts 1 and 5. Four specifications had been developed by OASIS (parts 3,4,6, and 7) and one by TMG (part 2).

49.   All specifications had been implemented and proved their value. The Chairman suggested endorsing these specifications as the first step towards finishing the work initiated by the Plenary in March 1999.

50. The Head of Delegation of Belgium asked why the ISO TC154 approval had been cancelled. The CSG Chairman explained that when the specifications had been released into a voting ballot process by TC154, they had not been properly approved by UN/CEFACT or OASIS and thus, had had to be revoked. It had been unfortunate but necessary since the procedure had not been adhered to.

51. The ISO representative asked if addenda were expected as, in some other development environments OK, patent claims had been made regarding specifications 6 and 7. He also enquired if part 8 of the specifications related to core components would also be issued .

52. The Swedish delegation supported the endorsement of the specifications. It wished to record, however, that IPR issues related to the specifications should be reviewed by the legal rapporteur and his team and a report presented to the plenary in due course.

53. The TMG Chairman noted that an IPR issue had taken both OASIS and UN/CEFACT by surprise earlier in the year. An IBM statement had given a royalty-free licence to all implementers. Regarding IPR on the service specification, a RAND patent agreement of four vendors was waiving all IPR claims irrevocably.

54. Regarding the technical specification on core components (part 8), the TMG Chairman explained that the open development process would need to be followed. The last phase, validation, was ongoing. As the phase would be completed before the Plenary in May 2004, the specification would be put forward to the Extraordinary Plenary in November.

55. The CSG Chairman noted that preparations of a recommendation on the use of ebXML should be initiated, possibly based on the model of Recommendation 24 on the use of UN/EDIFACT or following a fast track process with ISO. The CSG invited the HODs to express their views either during the session or afterwards. The HOD of Ireland requested a paper to HODS not later than the forthcoming CSG meeting.

56. Decisions

The Plenary endorsed the specifications as outlined in document TRADE/CEFACT/2003/7.

The Plenary requested the CSG to start preparing a UN/CEFACT Recommendation on ebXML for approval by the Plenary.

Item 6 – Approval of recommendations and associated documents

Documents: ECE/TRADE/315
                       TRADE/CEFACT/2003/19

57. The Centre noted Revision 2 of Recommendation 28 (ECE/TRADE/315). The maintenance of the codes recommendations had been mandated to the Information Content Management Group (ICG).

58. The Centre had before it a Trading Partner Agreement (TRADE/CEFACT/2003/19) as a new practical legal tool in addition to the previous products of the group including Recommendation 26 on the Commercial Use of Interchange Agreements for EDI and Recommendation 31 on Electronic Commerce Agreement. The Group had worked closely with EDIFACE organizations which had produced a trading partner model specific

to the IT industry. Recommendation 26 was a trading partner agreement for all industries. The work had been done in close cooperation with the United Nations Commission on International Trade Law (UNCITRAL).

59. Decision:

The Centre noted Revision 2 of Recommendation 28 (ECE/TRADE/315) and endorsed the Trading Partner Agreement (TRADE/CEFACT/2003/19)

Item 7 – Reports from regional bodies and initiatives, as well as regional advisors

Documents: TRADE/CEFACT/2003/11

60. The Czech Republic and UNECE had completed the implementation of a joint programme to assist countries in Central and Eastern Europe in establishing trade facilitation systems and bodies.

61. The delegation of Ukraine reported on the current situation in Ukraine. Before the end of the month, the parliament was still expected to adopt laws related to electronic business and electronic signature. Work had started on an inter-agency committee to implement the UN/CEFACT recommendation. Ukraine was also participating in a project developing international trade corridors and was preparing, in cooperation with the World Bank, the implementation of a number of agreements for a system of Internet-based purchases, as well as enhanced security systems at customs points to combat illegal migration and drugs trade.

62. The delegation of Belarus thanked UN/CEFACT and the secretariat for both the International Forum on Trade Facilitation and for the regional projects, such as the Czech technical assistance project. The project was very useful to the country in preparing its participation in world trade chains; the delegation extended its personal gratitude to the Czech Republic and to the project manager, Ms Najmanovà for their input. A conference on electronic trade "Together into the 21st century" – had been organized in Belarus to discuss the practical implementation of UN/CEFACT recommendations. A world bank "e-readiness assessment" was also under way and further studies on the readiness of SMEs to utilize e-tools had been planned. An e-system for state purchases was already implemented on the basis of   UN/CEFACT recommendations.

63. The representative of Uzbekistan thanked the Czech Republic for extending the project to Uzbekistan, which had joined the work at the beginning of the year. A Memorandum of Understanding on training Uzbek officials had been signed. Representatives of the customs committee, as well as transport and trade relations, had already taken part in training courses. Further steps would include, in September 2003, a training session in the Czech Republic for Uzbek specialists to help avoid loopholes and mistakes in the implementation of trade facilitation recommendations in Uzbekistan. This Czech and UNECE project was of great interest to Uzbekistan. New legislation was under way on electronic signature and electronic commerce.

64. The Deputy Director of the Division stated the satisfaction of the secretariat with the concrete and practical benefits of such work for many central and eastern European countries. The secretariat would like to increase its efforts in this area. He extended the gratitude of the secretariat to the Government of the Czech Republic for the funding and hoped for continued cooperation.

Item 8 –Baseline study on the implementation of the trade facilitation recommendations

Documents: TRADE/CEFACT/2003/12

65. The secretariat presented the current status of the baseline study on the implementation of UN/CEFACT recommendations. As only seven countries had returned the questionnaire, the CSG Chairman was concerned about the lack of response. The results would be necessary for the Policy Group and the Communications Group to start their work and it was proposed that the Chairman should send a letter to HODs reminding them of the importance of the study.

66. Decision
The Chairman would remind the Heads of Delegation of the importance of the study.

Item 9 – Progress of the Policy and the Communication and Promotion Groups

Documents: TRADE/CEFACT/2003/MISC.13

67. The Chairman noted that given the situation regarding the process with the OLA, no progress had been achieved in the policy group.

68. The Chairman of the Communications group presented the guidelines on enhanced communications. A secretariat contact point had been nominated and a communications plan was being drafted. The plan would define what would be communicated, how and to whom. Standard materials for presentation would be developed. The work plan would contain three phases: Phase 1 would define the objectives and needs, including a communication strategy and the different target audiences. In phase 2, a communication plan would be prepared defining how the different objectives should be promoted. The communication plan would be implemented in Phase 3.

69. Decision
The Plenary took note of the work undertaken.

Item 10 – Reports from UN/CEFACT Rapporteurs and related matters

Documents: TRADE/CEFACT/2003/13
                          TRADE/CEFACT/2003/14

70. The Legal Rapporteur reported on his work and the work undertaken by the Legal Group. The draft mandate of the Group had been confirmed and the same methodology was being extended to cover the practices in all UN/CEFACT groups.

71. The Chairman of the Group had resigned in September 2002. The Rapporteur thanked him and deplored the significant loss to the Group. The Legal Rapporteur was acting as Chairman pending the appointment of a new Chair.

72. Work was under way on online dispute resolution. An information note had been included in the rapporteurs report. The Rapporteur invited delegations to comment on the draft. The programme of work also covered a road map for legal aspects in trade facilitation together with TBG. With the TMG, a "unified business agreements and contracts" project was being carried out to support ebXML standards.

73. The Polish delegation supported the endorsement of the trading partner agreement and proposed a short guide on the three legal recommendations to help member States to put the recommendations in a wider context, such as the European Union, the Asia-Pacific region etc.

74. The Chairman noted that a report of the Rapporteur for Asia and the Pacific had been made available but unfortunately, the Rapporteur had not been able to attend the meeting.
Decisions:

75. The Plenary requested the legal group to prepare a short implementation guideline.

76. The Plenary took note of the report of the Rapporteur for Asia and the Pacific.

Item 11 –Memorandum of Understanding with the International Chamber of Commerce. Progress and cooperation under the Memorandum of Understanding with the International Electro-technical Commission, the International Organization for Standardization and the International Telecommunication Union.

77. The Chairman regretted that no report was available in view of the resignation of the Standards Liaison Rapporteur. The Plenary decided to postpone the election of a new Rapporteur until the general elections at the end of the session.

78. The CSG Chairman briefed the Plenary on recent developments under the MoU. He pointed out that when UN/CEFACT was first established, cooperation with ISO was maintained through the Standards Liaison Rapporteur. Under the Forum structure, the empowered groups were supposed to establish liaison themselves. Consequently, the CSG had on its agenda for its session in July 2003, an assessment of the role of the Standards Liaison Rapporteur and of the support required for his work, particularly with regard to the Memorandum of Understanding. As the CSG report was awaited, he suggested electing the Standards Liaison Rapporteur for one year only.

79. The CSG Chairman explained the role of the Memorandum of the IEC, ISO, ITU and UNECE, strongly supported by the Plenary. There were two categories of members: the founding organizations, signatories of the MoU and the participating organizations associated with the MoU. Over the last years, the number of participating user groups had increased. Under the MoU, the new participating organizations should be incorporated into the programme of work in order to avoid duplication of efforts.

80. One of the most important issues on the table were the core components. UN/CEFACT had agreed to organize a workshop in autumn 2003 and a programme was being developed.

81. The ISO representative informed the meeting that a review of the United Nations Trade Data Elements Directory (UNTDED) was under way and a draft was expected by the autumn 2003. Cooperation was

being developed between ISO TC154 and TC32 and the TBG, ATG and ICG. A joint group of TC68 and TBG5 and SWIFT was being envisaged. Consequently, most of the inter-agency coordination was regulated by the electronic business MoU. However, further detailed liaison was needed to re-inforce the institutional set-up .

Item 12 – Reports from the UN/CEFACT Forum and its mandated groups and other related matters

Documents   TRADE/CEFACT/2003/18
                                   TRADE/CEFACT/2003/MISC.9
                                   TRADE/CEFACT/2003/MISC.2
                                   TRADE/CEFACT/2003/MISC.3
                                   TRADE/CEFACT/2003/MISC.7
                                   TRADE/CEFACT/2003/MISC.8
                                   TRADE/CEFACT/2003/MISC.8.Add.1
                                   TRADE/CEFACT/2003/MISC.8.Add.2
                                   TRADE/CEFACT/2002/32/Rev.2
                                   TRADE/CEFACT/2003/20

82. The Chairman of the TMG apologized on behalf of the Chairperson of the Forum Coordination Team for his absence.

83. The CSG Chairman confirmed that the need to review the role of the FCT had been acknowledged and would be advanced at the meeting in July 2003.

84. The CSG Chairman introduced the mandates of the groups. The five groups had been established in May 2002 and the CSG had reviewed the mandates and given a provisional approval. The mandates were now presented to the Plenary for confirmation.

85. The delegation of France appreciated the work done on mandates but had some questions regarding the process. A clear definition of how the Forum would function would be necessary before the approval of the mandates. Furthermore, France had concerns regarding possible changes in the role of the CSG. The Belgian Head of Delegation supported this view. The discussions regarding the FCT and the continued role of the CSG were ongoing. Furthermore, a more detailed explanation should be given on point 6 in document 20 where no UN/CEFACT approval would be required.

86. The delegation of Poland found that even if the establishment process of the new structure was time-consuming, the mandates were required for the daily work of the groups and should thus be approved by the ongoing Plenary.

87. The CSG Chairman addressed concerns and reminded the delegations that empowered groups were in place. Not to confirm the mandates would be unprecedented and would convey a negative psychological message to the groups. He strongly recommended approving the mandates.

88. The question raised by the delegation of France was of a different nature and had also appeared in some recent messages on the list servers. The workflow and division of work between the CSG and the FCT was not clear and needed further examination. The Plenary had given one year to finish the consolidation of the Groups and more time was required to finish the work. The CSG had not tried to micro manage the Forum

as it had wanted to allow the groups to establish themselves and the FCT to do the management. This has been agreed at the CSG meeting in Berlin and was on the agenda for July.

89. He recommended approving the mandates and, accepting the proposal made by the delegation of France, to finalize the arrangements and the work and to allow, in the light of the OLA discussions, the FCT and CSG to prepare for the Plenary a revised management structure as soon as the preparatory discussions had taken place.. He pointed out, however, that some issues in the group management (such as codes) did not need to come to the CSG or the Plenary but could be directly approved at the technical level.

90. Japan and the Head of Delegation of the United States supported the CSG Chairman's proposal . The Head of Delegation of the United States declared that he had been impressed by how UN/CEFACT had reinvented itself during the past years to better meet the needs of business and support the process. The Head of Delegation of the United Kingdom referred to his earlier intervention on the strengthening of the role of UN/CEFACT in the OLA paper. Should the mandates not be approved, this new strength would not be gained. It therefore also supported the adoption of the mandates.

91. The delegation of France agreed to a provisional adoption of the mandates pending the finalization of the new structure. The mandates would then have to be reviewed. It then referred to the potential problems in the coordination of work between the various groups. The TMG Chairman indicated that the work in all the groups was based on the Open Development Process and consequently, it could be accessed at all stages. A representative of Australia supported the comments and referred to the ICG report that touched the workflow in more concrete terms.

92. The Chairman concluded the discussion by stating that France had withdrawn its objection.

Forum Coordination Team (FCT)

93. Two Forums had been organized, the first one in Geneva, 9 – 13 September 2002 and the second one in San Diego, USA, 10 – 14 March 2003. A third one would be held in Seoul, 15 – 19 September 2003.

94. The FCT had reviewed 17 new project proposals. It had approved 15 of them and was keeping two on hold for coordination purposes. A Project Review Procedure was being developed. In addition, a Forum Library Content Management Workflow had been agreed between ICG, TBG and ATG. It would apply to all deliverables, including UN/EDIFACT, Models, and Core Components.

95. The work undertaken by the FCT had shown that a support service provider was urgently needed as from 2004. The appointment of an SSP would allow the revision of the role of the FCT. Currently the FCT was responsible for logistic coordination. Its role in project management was limited to rejection based on duplication. The FCT suggested reviewing its role with possible expanded responsibilities, such as full project management, management of the groups (instead of CSG) as well as a role in planning for proposals to the CSG.

The Applied Technologies Group (ATG)

96. The Applied Technologies Group (ATG) was responsible for creating and maintaining the trade, business and administration document structures based on a specific technology or standard. It had convened during the two forums and had held a separate meeting in January 2003. The ATG had established liaison with various external activities including TC154, JSWG, ISO/IEC/JTC1 SC32, OASIS and its UBL liaison SC, W3C, EAN International and OMG. It also worked closely with TBG, TMG and ICG.

97. ATG was working on a number of projects, including the Standard Business Header and Library Content Management Workflow jointly with ICG and TBG to develop a consistent flow for the management of the various library content, including models, core components, UN/EDIFACT components, Code Recommendations and XML Schemas.

98. These procedures were also used for the UN/EDIFACT Change Requests processed for the D.03A directory.

Information Content Management Group (ICG)

99. The Vice Chairman of ICG presented the apologies of the Chairman, who could not attend the Plenary.

100.   The Group had carried out the first revision of Recommendation 23 (Freight cost code – FCC). The public review launched on 1 April was open until 30 May 2003. A substantive revision of the code list annexes of Recommendation 20 (Units of Measure) was under way. An internal UN/CEFACT Group review and an ISO/TC154 review were ongoing, after which a two-month public review would be opened. The ICG had approved the first revision of the code list of Recommendation 28 (Types of means of transport) published in ECE/TRADE/315. The UNECE secretariat had released two versions of Recommendation 16 – UN/LOCODE 2002-2 and UN/LOCODE 2003-1.

101.   Two important documents had been prepared regarding the workflow: a Business Requirements Specification (BRS) and a Requirements Specification Mapping (RSM). These were boilerplates detailing the minimum information requirements necessary for the registration of the common and reusable information blocks in a future UN/CEFACT Repository, designed to facilitate the introduction of the UN/CEFACT Modelling Methodology (UMM). The development of supporting procedures was targeted for the September 2003 Forum.

102.   The UN/EDIFACT directory audit had become part of the ICG work programme. UN/EDIFACT D.03A Directory audit was being conducted simultaneously with the Plenary session, with a targeted release date at the end of May 2003.

103.   A code list migration was also under way. Generic UNCL entries would be transferred from ATG to ICG. The migration process was still to be defined.

International Trade and Business Processes Group (TBG)

104.   The TBG Vice Chair presented the apologies of the TBG Chairman and the other vice-chairperson who could not attend the Plenary session.

105.   TBG included 18 different working groups: TBG1 – Supply Chain; TBG3 – Transport; TBG4 – Customs; TBG5 – Finance; TBG6 – Architecture, Engineering, and Construction; TBG7 – Statistics; TBG8 – Insurance; TBG9 – Travel, Tourism, and Leisure; TBG10 – Healthcare; TBG11 – Social Security; TBG 12- Accounting and Audit; TBG13 – Environmental Management; TBG14 – Business Process Analysis; TBG15 – International Trade Facilitation; TBG16 – Entry Point; TBG17 – Harmonization as well as MOP. Since the establishment of the Forum, TBG 1 and 2 had been merged. Altogether TBG had 38 projects ongoing.

106.   The Group was in continuous liaison with a number of other international players in the area, and particularly, through meetings with eGovernment TC (OASIS), sessions with UBL TC (OASIS), and meetings with ISO TC204. ebXML Messaging Service, CCA/CCP and IIC technical committees conducted co-located meetings with the Forum.

107.   ATG, ICG and TBG had met to define workflow procedures. The procedures would ensure the processing of work items and the production of CEFACT Directories. The TBG thanked the ICG Chair for his significant contribution to the process.

108.   TBG 15 had not been present at the Forum in San Diego. The group would be meeting immediately after the Plenary looking at issues arising from it and the international forum on 14 and 15 May. A joint meeting would take place on 21 May with TBG14, the World Customs Organization (WCO) and the working group on transport to discuss the launching of a project on the possible use of the international supply chain reference model for trade facilitation work.

Legal Group

109.   The Legal Group and the Legal Rapporteur jointly presented their reports under the Agenda item on Rapporteurs.

Techniques and Methodologies Group (TMG)

110.   The Chairman of the TMG briefly explained the status of the working groups. Over 200 members appeared on the list servers and over 50 experts participated actively in meetings organized quarterly. The meeting planned in Asia in summer 2003 had to be cancelled owing to the SARS epidemic. The TMG would meet in Seoul at the third Forum in September.

111.   The UMM meta mode and the UMM user guide had been coordinated in a larger framework "Business Collaboration Framework" to be known as BCF.

112.   A workshop would take place on 15 May 2003 on technology neutral issues and the TMG Chairman invited all delegations to participate. The presentation should also be made available on the UN/CEFACT website for those who could not attend. The United States delegation endorsed the suggestion. Web services

were a new concept but very consistent with the new UN/CEFACT approach. The Deputy Director of the Division supported the TMG suggestion regarding moving towards web services. However, this was a difficult area and he requested a paper to brief the Plenary delegations on the issue for the next Plenary session.

Implementation of electronic business

113.   At the 8[h] Plenary, the United Kingdom had submitted a proposal for providing guidance to the implementers of electronic business. The paper had now been resubmitted and the United Kingdom requested the CSG to identify a working group to develop a recommendation. It recommended that that text, which was also available in French and Russian, should be a starting point for the recommendation. In addition, the HOD requested that an individual should be designated to manage the process. The TBG vice chairperson would discuss this directly with the delegation of the United Kingdom and announce a name.

114.   The Chairman noted that there was indeed a need for such a recommendation and suggested that the Plenary approve its development.The work should be send to TBG and TMG. The Head of Delegation of the Netherlands informed the Plenary that the Netherlands had already used the text nationwide and fully supported the proposals as the text had proved to be an important tool for implementers.

115.   The Chairman concluded the agenda item by stating that the presentations made had demonstrated that the Forum approach had been a correct one and there were clear synergies between the groups

116.   Decision:
The mandates of the groups were approved. The process and project management within the Forum would need to be looked at, taking into account the OLA advice, as well as the issues regarding the relation of the FCT and the CSG. A report would be presented to the Plenary next May. The CSG was requested to take due note of the concerns expressed regarding the management structure.

The Plenary endorsed the reports of the groups and requested TMG and TBG to form a working group to start work on a new recommendation.

In order to keep pace with the current UN/CEFACT vision of a general business collaboration framework, the Plenary directed the CSG and the appropriate empowered groups, such as the TMG, to move closer to web services.

Item 13 - Election of the Chairperson and members of the Steering Group

117.   The Chairman invited the Deputy Director of the Division to chair the Plenary session during the election of the chairperson.

118.   The Head of Delegation of Australia nominated Mr. Christian Frühwald (Germany) to be reappointed as Chairman of UN/CEFACT for a second term. France and Poland supported the proposal of Australia to re-elect Mr. Frühwald. The Deputy Director of the Division noted that a nomination and two secondments had been made and declared Mr Frühwald re-elected as the Chairman of UN/CEFACT for another two-year

term, 2003 – 2005. The Chairman thanked the Plenary delegations for their confidence and continued support and promised to work hard to solve the current salient issues.

119.   The Chairman opened the elections of the Steering Group referring to his letter to Heads of Delegation sent in March where he had explained the salient issues related to the SSP and an IPR policy requiring the Steering Group to continue its work in the same composition. He thus proposed to extend the ongoing mandate of the CSG for one year. This would also allow the elections of the chairman and the CSG to be differentiated. He also suggested considering electing only half of the members of the CSG at any given time. As a revision of R.650 would be prepared, he asked the Plenary to consider requesting the CSG to modify the text accordingly.

120.   The Chairman had asked the CSG members to indicate if they would be available for another year of service and indicated that three members had resigned. The Chairman thanked Messrs. A. de Lijster (the Netherlands), P. Wilson (United Kingdom) and P. Georget (France) for their considerable contribution during their term of office. The Chairman had received three nominations for their replacements: Messrs. Jean-Luc Champion (Chairman of TBG1, Belgium), Jean-Marie Eloy (SWIFT) and Michael Adcock (United Kingdom). All three nominees had confirmed that they had sufficient resources and capabilities available for working in the Steering Group. Australia supported the election of the three persons.

121.   The chairman congratulated the new members of the CSG and invited them to the first meeting later in the afternoon. The Chairman informed the session that all five vice-chairpersons had accepted the one-year extension of their term of office and thus, vice-chair elections would be held in May 2004. He also announced that he had extended the term of the office of the Chairman of the Steering Group for one year. The Plenary endorsed the decision. The CSG Chairman thanked the Chairman and the Plenary for their confidence and informed the Plenary that he would no longer be available for the post after the 10th Plenary in 2004.

122.   The Chairman invited nominations for the post of Standards Liaison Rapporteur. France proposed Mr. François Vuillemier (ISO) and the United States Mr. David Welsh (USA). As Mr. Vuillemier withdrew his candidacy, the Chairman announced the election of Mr. Welsh. The new Standard Liaison Rapporteur thanked the Plenary for its confidence

123.   Decisions:

The Plenary elected Mr. Christian Frühwald (Germany) its Chairman for a two-year term 2003 – 2005, extended the current term of office of the Steering Group by one year and elected Messrs. Jean-Luc Champion (chairman of TBG1, Belgium), Jean-Marie Eloy (SWIFT) and Michael Adcock (United Kingdom) members of CSG to replace the three members that had resigned.

The Plenary elected Mr. David Welsh its new Standards Liaison Rapporteur.

The Plenary accepted the Chairman's proposal on a new selection process for the CSG and requested the CSG to integrate a proposal on the new election procedure in the revised R.650.

124.   The Chairman closed the morning session and announced that the final session of the 9th Plenary would be a joint session with the UNECE Committee for Trade, Industry and Enterprise Development. Taking into account the uncertainty with the OLA and the considerable work of the CSG that would be

required, the Chairman would contact the Heads of Delegations to discuss the need for an Extraordinary Plenary in due course but asked them to tentatively reserve 17 and 18 November.

125.   The Chairman thanked the delegations for their contribution and participation, the secretariat for the meeting arrangements and the interpreters for supporting the first part of the 9th Plenary session.

Agenda Items CTIED 9 through CTIED 16 were discussed during the CTIED - UN/CEFACT joint session. The discussions and decisions are contained in the report of the 7th Session of the CTIED (ECE/TRADE/306)

_____